



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 6, 2011

S. 50 **Commercial Seafood Consumer Protection Act**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on June 8, 2011*

SUMMARY

S. 50 would require the Secretary of Commerce to coordinate and administer certain activities to enhance the safety of seafood products sold in the United States. The bill also would modify existing provisions that authorize the Secretary of Health and Human Services (HHS) to refuse entry of seafood imports. Finally, S. 50 would direct the Secretary of HHS to enter into memoranda of understanding and other agreements to strengthen interagency cooperation on seafood safety.

Based on historical information, expert opinion, and information provided by the affected agencies, CBO estimates that implementing S. 50 would cost \$80 million over the 2012-2016 period, assuming appropriation of the necessary amounts. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 50 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 50 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 550 (health).

	By Fiscal Year, in Millions of Dollars					
	2012	2013	2014	2015	2016	2012-2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	20	20	15	15	15	85
Estimated Outlays	15	19	16	15	15	80

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 50 will be enacted near the beginning of fiscal year 2012 and that the necessary amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns for similar programs.

Department of Health and Human Services Activities

S. 50 would modify existing provisions that authorize the Secretary of HHS to refuse entry of seafood imports. Under current law, importers are required to prove that all shipments meet import requirements, and the Food and Drug Administration (FDA) can refuse entry of shipments that fail to *appear to meet* those requirements. This bill would increase the burden of proof on FDA for such refusals by requiring the agency to prove that a seafood shipment does not meet the import requirements. CBO assumes that such a change would require FDA to conduct additional sampling, testing, and holding of shipments that otherwise would have been refused entry based on appearance.

S.50 also would permit FDA to allow import shipments to enter the country if FDA finds that the shipment or conditions of manufacturing meet the import requirements. CBO assumes that provision would result in additional inspections of foreign facilities to ensure shipments meet the conditions of the manufacturing requirements.

Based on historical information and expert opinion, CBO estimates that implementing S. 50 would cost \$80 million over the 2012-2016 period assuming appropriation of the necessary amounts. While this estimate reflects CBO's best judgment on the basis of available information, that projected cost is an expected value of outcomes for future seafood import problems and is subject to a great deal of uncertainty. The costs of testing are likely to vary depending on the product, the length of time to complete testing, and whether or not foreign manufacturing facilities will need to be inspected.

S. 50 also would direct the Secretary of HHS to enter into memoranda of understanding and other agreements to strengthen interagency cooperation on seafood safety. Under current law, the FDA is already engaging in such interagency activities. Thus, CBO anticipates that those provisions would have no significant budgetary impact.

Department of Commerce Activities

S. 50 would require the Secretary of Commerce to coordinate and administer certain multi-agency activities to enhance the safety of seafood products. Because the bill contains several provisions that require the Secretary to carry out activities that are required under current law, CBO estimates that implementing those provisions would not affect the federal budget. The bill also would require the Secretary to prepare several reports related to the execution of certain multi-agency agreements and measures taken to enhance consumer protection and enforcement activities related to seafood safety. Based on information regarding the cost of producing similar reports, CBO estimates that the costs of carrying out those activities would not be significant.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 50 contains no intergovernmental or private-sector mandates as defined in UMRA. Because the bill would codify existing policy for identifying seafood, it would not impose a new enforceability duty on tribal or private seafood manufacturers.

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